


Background information for tomorrow's interview - Message (HTML)

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Background information for tomorrow's interview

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 Factsheet - Historic OPEC+ Deal.pdf 57 KB

 The 10th (Extraordinary) OPEC and non-OPEC Ministerial Meeting concludes.pdf 54 KB

 The Joint Forces Command of the Coalition to Restore Legitimacy in Yemen declares a comprehensive ceasefire in Yemen for a period of two weeks.docx

Attached, please find background information that may be helpful prior to tomorrow's interview. Thanks!

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Factsheet: Historic OPEC+ Deal

April 21, 2020

KSA Leads Global Deal to Stabilize Oil Markets

The 10th OPEC+ Ministerial Meeting was held via videoconference on Sunday April 12th, chaired by Saudi Arabia's Minister of Energy, Prince Abdul Aziz Bin Salman, and co-Chair HE Alexander Novak, Minister of Energy of the Russian Federation.

The coronavirus pandemic has dramatically lowered global demand. As it has done for decades, KSA assumed its role as a global energy leader to negotiate this deal and help reduce the market imbalance.

The Agreement – Reduction by 12.5m Barrels Per Day From OPEC+

KSA's Oil Minister, Prince Abdulaziz bin Salman explained that the OPEC+ production cuts are actually more than the 9.7 million barrels first announced in the agreement. The total number of OPEC+ cuts is 12.5 mb/d.

- Details: Additional OPEC+ cuts come from KSA (1.3 mb/d), UAE (1 mb/d) and Kuwait (0.5 mb/d)
- Next 6 Months: From July 1 to December 31, the total reduction agreed will be at least 7.7 mb/d.
- Next 16 Months: From January 1, 2021 to April 30, 2022, the total reduction will be at least 5.0 mb/d.
- Optional Extension: An extension of this agreement will be reviewed in December of 2021.
- Russia Paid the Most: Russia will cut output by 2.5 mb/d, more than any other country and more than 4 times the amount they refused to cut in early March, thanks to this deal.
- No U.S. Production Cuts: The agreement does not formally require the U.S. to commit to reductions.

Cooperation with the U.S. Key to Final Deal

- The OPEC+ leaders remain committed to stabilizing energy markets and acknowledged the importance of international cooperation in reaching a deal, as did President Trump.
- OPEC+ will meet again on June 10 to determine if further actions are needed to balance the energy markets.

G20 Contributions – Historic Cooperation = Cuts of 19.5 Million Barrels

As the President G20, Saudi Arabia is leading a diplomatic coordination effort with G20 partner countries to commit to an even larger scale of reductions to further stabilize global energy markets.

- Saudi Oil Minister, Prince Abdulaziz Bin Salman, stated in U.S. media interviews that there are additional reduction commitments by other G20 oil producing countries as a result of this cooperative effort.
- In addition, purchases of large volumes of oil by Strategic Petroleum Reserves will bring the total production cuts amount to around 19 million barrels per day.

U.S. Industry – Voluntary Cuts, KSA Not Trying to Put U.S. Out of Business

Saudi Arabia has not, and will not, seek to intentionally damage U.S. shale oil producers. The U.S. is not a party to OPEC+, and thus any U.S. cuts will be done on a voluntary basis.

- KSA does not view the global oil market as a zero-sum game. KSA's prosperity will not be improved by making other people less prosperous.
- KSA wants to save the entire global oil industry and help all producers. KSA's goal is shared growth.

KSA's Global Leadership to Bring Stability to Energy Markets

This crisis is yet another example of KSA fulfilling its longstanding role of bringing stability to energy markets.

- There's a new spirit of cooperation within OPEC+. Over the past 2-3 weeks, KSA has organized the world to collaborate to find remedies of historic proportions.
- Oil-producing countries are taking a very large economic hit as mobility itself declines rapidly. But during a crisis like this KSA will be proactive and not get caught up in the dogmas of the past.

As long as all of our partners are ready to work cooperatively, KSA will be the first to commit to additional measures as the market continues to shift with new developments during this time of global crisis.

The 10th (Extraordinary) OPEC and non-OPEC Ministerial Meeting concludes

Date: April 12, 2020

The 10th (Extraordinary) OPEC and non-OPEC Ministerial Meeting was held via videoconference, on Sunday, 12 April 2020, under the Chairmanship of HRH Prince Abdul Aziz Bin Salman, Saudi Arabia's Minister of Energy, and co-Chair HE Alexander Novak, Minister of Energy of the Russian Federation.

The Meeting reaffirmed the continued commitment of the participating producing countries in the 'Declaration of Cooperation' (DoC) to a stable market, the mutual interest of producing nations, the efficient, economic and secure supply to consumers, and a fair return on invested capital. The Meeting emphasized the important and responsible decision to adjustment production at the 9th (Extraordinary) OPEC and non-OPEC Ministerial Meeting on 09/10 April.

Furthermore, the Meeting took note of the G20 Extraordinary Energy Ministers Meeting held on April 10, which recognized the commitment of the producers in the OPEC+ group to stabilize energy markets and acknowledged the importance of international cooperation in ensuring the resilience of energy systems.

In view of the current fundamentals and the consensus market perspectives, and in line with the decision taken at the 9th (Extraordinary) OPEC and non-OPEC Ministerial Meeting, all Participating Countries agreed to:

1. Reaffirm the Framework of the DoC, signed on 10 December 2016 and further endorsed in subsequent meetings; as well as the Charter of Cooperation, signed on 2 July 2019.
2. Adjust downwards their overall crude oil production by 9.7 mb/d, starting on 1 May 2020, for an initial period of two months that concludes on 30 June 2020. For the subsequent period of 6 months, from 1 July 2020 to 31 December 2020, the total adjustment agreed will be 7.7 mb/d. It will be followed by a 5.8 mb/d adjustment for a period of 16 months, from 1 January 2021 to 30 April 2022. The baseline for the calculation of the adjustments is the oil production of October 2018, except for the Kingdom of Saudi Arabia and The Russian Federation, both with the same baseline level of 11.0 mb/d. The agreement will be valid until 30 April 2022, however, the extension of this agreement will be reviewed during December 2021.

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3. Call upon all major producers to provide commensurate and timely contributions to the efforts aimed at stabilizing the oil market.
4. Reaffirm and extend the mandate of the Joint Ministerial Monitoring Committee and its membership, to closely review general market conditions, oil production levels and the level of conformity with the DoC and this Statement, assisted by the Joint Technical Committee and the OPEC Secretariat.
5. Reaffirm that the DoC conformity is to be monitored considering crude oil production, based on the information from secondary sources, according to the methodology applied for OPEC Member Countries.
6. Meet on 10 June 2020 via videoconference, to determine further actions, as needed to balance the market.

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The Joint Forces Command of the Coalition to Restore Legitimacy in Yemen declares a comprehensive ceasefire in Yemen for a period of two weeks, starting on Thursday, April 9, 2020, at 12:00 KSA time. The two-week period is subject to extension.

Riyadh, April 08, 2020, SPA -- Statement by the Official Spokesman of the Coalition to Restore Legitimacy in Yemen COL Turki Al-Malki

"Based on its previous announcement on March 25, 2020, the Joint Forces Command of the Coalition supported the Yemeni government's decision to accept the United Nations Secretary General's call to a ceasefire in Yemen in order to counter the spread of the COVID-19 Pandemic. As well as welcoming the call by the United Nations Secretary-General's Special Envoy to Yemen Mr. Martin Griffiths to deescalate tensions, take practical confidence building measures between different parties, and focus on humanitarian and economic development.

The Coalition is determined to create a conducive environment for the UN Envoy's efforts, and to alleviate the suffering of the brotherly people of Yemen and support the efforts towards combatting the spread of COVID-19 pandemic. To that end, the Coalition announces a comprehensive ceasefire in Yemen for a period of two weeks, starting on Thursday, April 9, 2020, at 12:00 KSA time.

The two week period is subject to extension to allow for appropriate conditions to implement the UN Envoy's call for a UN sponsored meeting between the legitimate government of Yemen, the Houthis, and military representatives from the Coalition to discuss his proposals on steps and mechanisms to implement a permanent ceasefire in Yemen, confidence building measures on humanitarian and economic sides, and to resume the political process between Yemeni parties in order to reach a comprehensive political solution in Yemen.

The Coalition will seize this opportunity to unite all efforts to reach a comprehensive and lasting cease-fire in Yemen, and agree on serious, concrete and direct steps to alleviate the suffering of the brotherly Yemeni people and maintain their health and safety. The Coalition will support all efforts to reach a fair and comprehensive political solution agreed upon by all Yemenis."